



**Needs Assessment Committee
Minutes
August 14, 2009
4th floor conference room
8:30 a.m.**

Committee members present:

Aubrey Howard, Chairman
Jay Weatherington, Secretary
Commissioner Mike Ritz

Commissioner Sidney Chism
Danny Love
Martavius Jones, MCS President

Committee members absent:

David Pickler, SCS Chairman
Nisha Powers
Scott Fleming
Cato Johnson

Others Present:

Grace Hutchinson
Richard Holden, SCS
Paula Lewis
Chris Lurry, MCS
Craig Willis, Asst. Co. Atty.
Brian Shipp, MCS
Leonard Myers, MCS

John Zeahah, MCS
Pam Anstey, MCS
Denise Sharp, MCS
Dr. Irving Hamer, MCS
Jake Allen, MCS
Susan Roakes
Michelle Stuart

Chairman Aubrey Howard called the meeting to order at 8:40 am.

Pam Anstey, MCS, gave an explanation of some of the regulations of the special school bond funding available as part of the federal stimulus plan. One stipulation is that all of the money for each project funded by the Qualified School Bond Construction Program must be spent within three years. If not, there is a penalty and you would have to reapply. The deadline for the application of bond funding from this program is August 21, 2009. Memphis City Schools has been designated for a potential allocation of \$41,736,000. Memphis City Schools must submit an application to the state for approval to receive this funding. The State has suggested that the requests from applicants should include projects for more than the \$41,736,000 so that they have the flexibility for obligating and completing projects totaling the full amount in the proper time frame. What that would mean is MCS would have an approved project for any remaining funding after the school projects are completed that could still be accomplished within the required 3 year period. MCS is asking that the NAC and County Commission approve a list of projects being presented to day for that purpose. They will submit their application to the State by August 21, 2009 and are requesting NAC recommendation of the projects in order to receive the required approval of the County Commission for application to receive the designated funding. The State will

then send the County Commission a formal Resolution for approval which will detail the terms and conditions of the funding and at that time we will have the official list of projects that they will use to issue the bonds.

At the present time it is uncertain whether the furniture, fixture and equipment portion of the project costs are allowable for funding purposes according to the state regulations for this funding. If allowed, MCS will include furniture, fixtures and equipment and the bonds will be structures to include those.

Chairman Howard asked if there are State regulations that require playground for schools construction and was told that the State regulations require physical activity facilities so therefore playground equipment is included in the MCS.

Denise Sharpe stated that an additional \$13,883,638 would be included on the application for various critical deferred maintenance but these would have to be maintenance projects that would meet the requirement of a 15 year useful life span. Commissioner Ritz emphasized that the county would not be financially responsible for expenditures for projects approved but for which sufficient funding is not made available from the QSCB issuance.. He asked if we are able to arbitrage this money. Pam Anstey stated that we will have a sinking fund and will use a LGIP account at the State level for investment purposes.

Mike Swift stated that the State will issue the bonds with one maturity date for 15 years out. They will put the money in an LGIP account for each district and it will be drawn down as needed. Shelby County will earn interest on the money before the draw down. The intent would be that we would make annual equal payments into the LGIP account and we get the interest on that which would reduce the payments towards the end.

Denise stated that the construction of Kate Bond Middle School would eliminate 10-12 portables. With the Ross Elementary addition, we would hope to move approximately 80 students from Germanshire or Crump and eliminate 16 portables. The capacity won't change at Avon Lennox and there are no portables there. The MCS capital plan is driven more by accommodating students in the northeast and not so much geared to eliminating portables.

The MCS list of projects for the special school bonds includes:

Kate Bond Middle School	- \$30,608,760
Ross Elementary Southeast Region Addition	- \$ 5,755,000
Avon Lenox Rehabilitation	- \$ 2,152,200
Avon Lenox Rehab Expanded	- <u>\$ 2,301,850</u>
TOTAL	\$40,817,810

Motion: Motion by Commissioner Ritz to approve the Memphis City Schools project list as presented. Second by Commissioner Chism.

Action: Motion passed unanimously.

Chairman Howard took the opportunity to welcome the new Needs Assessment Committee member, Danny Love. Danny is the chief auditor for the M & SC Airport Authority.

Richard Holden then presented the projects for the County Schools stating that their request is for \$21,950,000 and they are requesting approval for the same projects that were presented to the NAC on May 7, 2009. Shelby County Schools have not received a specific designation of funding and are applying for \$20 million. They will not know the amount of funding until the state makes awards from there total amount to requesting school systems. It is possible that the funding would not equal the amount required for the projects being submitted in their application. It is his understanding that the FF&E, parking lots and design is allowed. If they are not allowed, SCS would have to adjust their figures.

Chairman Howard asked that if these projects are approved today and then you learn that some of the things included are not allowed how would that be handled. Richard stated that if they don't get fully funded by the bonds the County would be requested to pay the difference. In hearing the MCS presentation, Richard was not aware of adding additional projects and stated that in order to add additional funds to the list his next highest priority project would be to air condition the elementary and middle school gymnasiums, however that project is not currently in the SCS five year capital plan. It is anticipated that the SCS Board will amend it to add this project.

Commissioner Ritz asked if the SCS had projects in the past that came in under budget, was any of that capital spent on other projects. Richard's response was that no capital funds have ever been spent without approval of the NAC first.

With the addition to Macon-Hall Elementary 16 portables would go away. Collierville High is not a dire need at this point but will be very soon. Commissioner Ritz asked that if the County Schools decided not to build Collierville High what would the next priority be and Richard responded – air conditioning the gymnasiums for elementary and middle schools. They have 29 elementary schools and 20 of them need air conditioning. There are 16 middle schools and at least 10-11 of them need air conditioning at approximately \$60,000 each.

The Shelby County Schools list of projects for the special school bonds includes:

Millington High School Cafeteria	\$ 1,250,000
Collierville High School Addition	\$ 4,700,000
Elmore Park Middle Replacement	\$13,500,000

Motion: Jay Weatherington made a motion to accept the Shelby County Schools projects as presented. There being no second – the motion failed.

Commissioner Ritz asked Richard if the HVAC project would meet the goals of the bonds and Richard stated that it would meet the 15 year life span and also provide

energy efficiency. Richard also stated that there would be no land acquisition needed for the Collierville High addition.

Motion: Motion by Commissioner Ritz to approve the Shelby County Schools projects as presented with the addition of the HVAC gymnasium project. Second by Danny Love

Action: Motion carried.

Motion: Motion to approve the minutes of the June 11, 2009 meeting. Second by Jay Weatherington.

Action: Motion carried.

Motion: Motion to adjourn by Jay Weatherington. Second by Commissioner Chism.

Action: Meeting adjourned at 9:20.

The next meeting of the NAC will be September 10 2009 at 8:30.

Jay Weatherington, Secretary

Date